

Sarawak Cable seeks boost

Cable maker to bank on sharp increase in new orders from overseas and steady flow of power projects

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KUCHING: Sarawak Cable Bhd, one of the biggest cable makers in the region, is banking on a sharp increase in new orders from overseas and a steady flow of power projects in its home state to lift slumping sales.

As at the end of April, Sarawak Cable's order book for power and telecommunications cables had already exceeded the RM500mil mark, according to group managing director and chief executive officer Aaron Toh Chee Ching.

"Revenue in the second and third quarters is expected to be very strong," he told *StarBiz*. "We are targeting total sales to exceed RM1bil this year," he added.

The cable maker had been struggling to boost sales, which had been sluggish for the past six quarters.

The big boost in new orders came from overseas, where the company is making strong inroads into the Australian and New Zealand markets.

Toh said the company had recently appointed an established trading company in Australia to market its products.

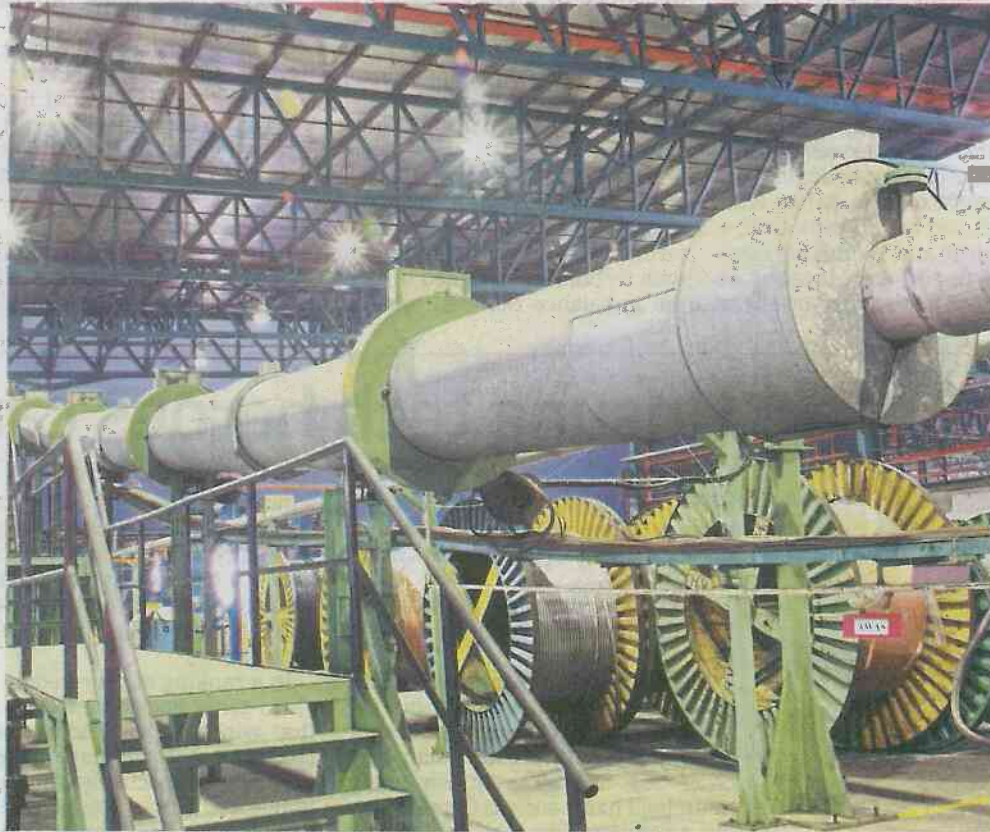
The group's power and telecommunications cables contributed RM209mil in sales during the first quarter ended March 31. This is more than four-fifths of the group's total revenue of RM251.8mil during the same quarter.

The segment also generated the bulk of the group's profits.

Toh said the power and telecommunications cables segment is expected to further enhance its profit margin with the continuous effort in cost-saving measures and improving operational efficiency.

The group's wholly owned subsidiary, Leader Cable Industry Bhd, successfully developed two performance-enhanced optical ground wire (OPGW) cables last year. These are the single-layer OPGW that meets Class 3 lightning test requirements, and a reduced-weight OPGW for Tenaga Nasional Bhd's (TNB) ICT projects.

According to Toh, Leader Cable has also



TNB supplier: Leader Cable, Sarawak Cable's wholly-owned unit, has started to supply to TNB's 500kV transmission line projects.

started to supply its newly-developed thermal resistant aluminium alloy conductor steel reinforced trapezoidal shape Al conductor to TNB's 500kV transmission line projects.

On power transmission line projects, Toh said Sarawak Cable had tendered for new contracts from Sarawak Energy Bhd (SEB) worth between RM300mil and RM400mil. SEB, which is Sarawak Cable's second-largest shareholder, is expected to award the proposed contracts in the second half of the year.

Meanwhile, Sarawak Cable has been short-listed to participate in tendering for the Pan Borneo Highway project's power relocation works, and supplying power cables for the highway work packages.

"We have bid for the power relocation works for the entire stretch of two work packages.

"The outcome of the bids is expected in the next two months," Toh said.

Sarawak Cable had recently secured contracts worth RM20mil to supply cables for the highway.